[*Translation*]

SHRI ASHOK GEHLOT : Mr Speaker, Sir, at present there is neither any reason nor any proposal to stop this scheme. As far as the matter relating to Andhra Pradesh is concerned, I am not aware of it whether the scheme has been abandoned or not. However, I will look into the matter and the Hon. Member will be informed accordingly.

[*English*]

SHRI D. VENKATESWARA RAO : For the last one and a half years we have not seen anywhere in Andhra Pradesh the distribution of this cloth whereas before that we used to see that about 30 to 40 lakh metres of cloth was distributed every year. This is the statistics we have got. Recently we have not seen anywhere in Andhra Pradesh that these cloths are distributed. A lot of fraud is taking place in procuring all these materials from the societies. Some societies are acting in such a manner that while procuring this cloth from the weaver a lot of misappropriation is taking place. Is the Government going to take any kind of action against this?

[*Translation*]

SHRI ASHOK GEHLOT : Mr. Speaker, Sir, as far as I understand that no fraud is taking place in the distribution of cloth for the last one and a half years as has been stated by the hon. Member. However, if some fraud is there; it would have been for the last four to five years. I will look into the matter. I would also try to ensure that there would be no incidence of fraud and distribution may be made properly. Since the distribution work is carried out by the State Government, I don't think that the fraud has been taking place for the last one and a half years. I can give you this assurance that neither any scheme has been abandoned in Andhra Pradesh nor such a thing would happen in future. If there is some fraud in distribution, it will be set right.

WRITTEN ANSWERS TO QUESTIONS

[*English*]

Priority Sector obligations of Public Sector Banks

*366. SHRI RAMESH CHAND TOMAR
SHRI PRABHU DAYAL KATHERIA } : Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to revise the priority sector obligations of the public sector banks: and

(b) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) and (b) At present there is no such proposal. However, Government has decided to appoint a high level committee to consider all relevant aspects of structure, organisation, functions and procedures of the financial system. The Committee is expected to advise the Government on appropriate measures that would be needed to enhance the viability and health of the financial sector so that it can better serve the needs of the economy without any sacrifice of the canons and principles of a sound financial system.

Declaration of Mangalore-Mysore Road as National Highway

*368. SHRI V. DHANANJAYA KUMAR : Will the Minister of SURFACE TRANSPORT be pleased to state :

(a) whether the Union Government have received a proposal from the Government of Karnataka to declare the road between Mangalore and Mysore via Mercara as a National Highway; and

(b) if so, the steps taken in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER) : (a) Yes, Sir.

(b) A decision about the declaration of new National Highways in various States including Karnataka can be taken only after finalisation of the 8th Five Year Plan.

Allocation of foreign exchange to Companies

370. SHRI KARIA MUNDA : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 848 on Ma rc 16, 1990 and state :

(a) whether any of the companies mentioned therein have been allocated foreign exchange amounting to more than Rupees Two Crores in a year for meeting expenses abroad;

(b) if so, the details thereof; and

(c) whether the Government propose to reduce the allocation of foreign exchange to them till recovery of the excise duty is made?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) : (a) and (b) : The companies mentioned in the reply to the unstarred Question No. 848 on March 16, 1990 are : (i) M/s. ITC Ltd., (ii) M/s. Godfrey Philips India Ltd. and (iii) M/s. Voltas Ltd. No foreign exchange is allocated by the Government to companies. However, permission to use foreign exchange for expenses abroad is granted by the Reserve Bank of India under the relevant provisions of the Foreign Exchange Regulations. Out of the three companies mentioned above, only one, namely, M/s. ITC Ltd. has been allowed to make remittance amounting to more than Rupees Two Crores as follows :

(i) Maintenance of overseas offices : Rs. 383·73 lakhs per annum

(ii) Blanket Permit or Export Promotion: Rs. 200.00 lakhs (For one year valid upto 31st March, 1992).

(c) The cases involving evasion of excise duty are under adjudication. The Reserve Bank of India allocates foreign exchange for the purposes mentioned above, based on the size of foreign exchange transactions and the export performance of the company. The Reserve Bank of India does not include recovery of excise duty as one of the criteria.

[Translation]

Investment by Banks and Financial Institutions in Bihar

*371. SHRI RAM LAKHAN SINGH YADAV : Will the Minister of FINANCE be pleased to state :

(a) the amount invested by the Life Insurance Corporation, General Insurance Corporation and various banks in Bihar; separately during the last three years;

(b) whether the Union Government propose to encourage the banks and financial institutions to invest more capital in Bihar; and

(c) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) to (c) The amount invested by the Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC) in Bihar during the last 3 years is given below :

Year	Amount (Rupees in Crores) *L. I. C.*	*G. I. C.*
1988-89 . .	71.07	17.83
1989-90 . .	107.83	24.00
1990-91 . .	63.80	8.58

Bulk of the investment by LIC and GIC is made in Central and State Government securities, other Government guaranteed marketable securities such as bonds of financial institutions etc. Besides, LIC and GIC also advance loans for approved purposes in the socially oriented sector like housing, water supply etc. in accordance with the investment guidelines approved by the Government and as per annual allocations made by the Planning Commission. LIC and GIC also invest in debentures/shares of public limited companies in the private sector.